BIII No.	4-01		
Concerning: 1	mpact Tax -	<u>Amendments</u>	3
Revised: 5-1	-01	Draft No. 4	
Introduced:	February 6,	2001	
Enacted:	May 1, 200	1	
Executive:	May 14, 20	01	
Effective:	August 13,	2001	
Sunset Date:	None		
Ch. 10, La	ws of Mont. C	Co. <u>2001</u>	

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the request of the County Executive

AN ACT to:

- (1) update the rates of the development impact tax and allow certain tax credits to be transferred under certain conditions;
- (2) update the impact tax transportation program;
- (3) <u>create a Clarksburg impact tax district, and adopt tax rates and a transportation program for the district;</u>
- (4) revise the share of the impact tax transportation program paid by certain new development; and
- [[(3)]] (5) generally amend the law governing the development impact tax.

By amending

Montgomery County Code Chapter 52, Taxation

Sections <u>52-49</u>, <u>52-55</u>, <u>52-57</u>, [[and]] <u>52-58</u>, <u>and 52-59</u>

Boldface *Heading or defined term.*

<u>Underlining</u>
[Single boldface brackets]
Added to existing law by original bill.
Deleted from existing law by original bill.

Double underlining Added by amendment.

[[Double boldface brackets]] Deleted from existing law or the bill by amendment.

Existing law unaffected by bill.

The County Council for Montgomery County, Maryland approves the following Act:

1	Sec	21. Sections <u>52-49, 52-55</u> , 52-57, [[and]] 52-58, <u>and 52-59</u> are amended
2	as follows	S:
3	52-49.	Imposition and applicability of development impact taxes.
4		* * *
5	(c)	The following impact tax districts are established[[:]], consisting of the
6		following Planning Policy Areas as described in the Annual Growth
7		Policy:
8		(1) Germantown: Germantown East, Germantown Town Center, and
9		Germantown West:
10		(2) Eastern Montgomery County: Fairland/White Oak and Cloverly:
11		(3) <u>Clarksburg: Clarksburg</u> .
12		* * *
13	52-55.	Credits.
14		* * *
15	(b)	A property owner may construct an improvement listed in the
16		impact tax district transportation program. Construction of the
17		improvement, however, must be in addition to all other on-site
18		transportation improvements required by the County or the
19		Planning Board as a condition of subdivision, site plan, or other
20		development approval.
21		(1) * * *
22		(2) * * *
23		(3) The County must not provide a refund for a credit which is
24		greater than the applicable development impact tax. If,
25		however, the amount of the credit exceeds the amount of
26		the development impact tax due, the property owner may

27		apply the excess credit toward the development impact
28		taxes imposed on other building permits for development
29		[[on the same site]] in the same impact tax district and with
30		the same ownership. <u>In this Section</u> , a property has the
31		same ownership as another property if the same legal
32		entity owns at least 30% of the equity in both properties.
33		* * *
34	<u>(e)</u>	Any property owner who, before May 1, 2001, built all or part of a
35		project in the Clarksburg impact tax district which is listed in the
36		impact tax transportation program (including building any road which
37		would be widened under the program) is entitled to a credit equal to
38		the reasonable cost of the improvement. The Department of Public
39		Works and Transportation must calculate the credit. The Department
40		must not give a refund for a credit earned under this subsection.
41	<u>(f)</u>	A property owner may transfer a credit against the development impact
12		tax to another property owner in the impact tax district where the credit
43		originated if the transferor received the credit on or before August 7,
14		1992 in exchange for the sale of land to the County. The transferee is
45		entitled to the amount of credit transferred to it, up to the amount of
46		unpaid impact tax the transferee owes. The Department must not give a
1 7		refund for a credit used under this subsection. The Department must not
48		allow more than \$2,750,000 in credits under this subsection.
19	52-57.	[Per-unit development] <u>Development</u> impact taxes; methodology.
50		[[* * *]]
51	(a)	[[The methodology for determination of per-unit development]]
52		<u>Development</u> impact taxes [[is as follows]] <u>must be calculated</u>
53		by the following process:

54		
55	(7	7) [[Calculate the ratio of possible residential development
56		(ceiling development minus existing residential development
57		as computed in step 1) to ceiling residential development.
58		Similarly, calculate the ratio of possible nonresidential
59		development to ceiling nonresidential development.
60		Compute a weighted-average ratio of possible development
61		to ceiling development for an impact tax district based upon
62		the trip impact values of possible residential and
63		nonresidential development. This weighted-average ratio
64		represents the share of the cost of impact highway
65		improvements to be borne by new development; where the
66		ratio exceeds 50 percent, a proportion of 50 percent must be
67		used, under subsection 52-47(e). The new development
68		share, without adjustment for the reduced office and
69		industrial rates, for each impact tax district is:
70		(A) Germantown 50.00%
71		(B) Eastern Montgomery County 44.75
72		New development shares are calculated only when an impact tax
73		district is established; they are not recalculated every 2 years.]]
74		Multiply [[these shares]] 50% by the pro rata cost per unit for each
75		land use category (calculated in Step 6) to determine the [[per-
76		unit]] development impact tax for each land use category.
77	(b)	The [per-unit] development impact [taxes] tax rates for each impact tax
78		district are [[as follows]]:
79	Tax per I	Owelling Unit or per [1,000] Square [Feet] <u>Foot</u> of Gross Floor Area
80		(GFA)

Land Use Type	Germantown	Eastern Montgomery County	<u>Clarksburg</u>
Single-family residential (per dwelling unit)	[\$2,378.00] [[\$2,473]] <u>\$2,492</u>	[\$1,558.00] [[\$1,620]] <u>\$1,727</u>	<u>\$2,753</u>
Multifamily residential (per dwelling unit)	[\$1,712.00] [[\$1,780]] <u>\$1,794</u>	[\$1,122.00] [[\$1,167]] <u>\$1,243</u>	<u>\$1,981</u>
Multifamily-senior residential (per dwelling unit)	[\$507.00] [[<u>\$527</u>]] <u>\$531</u>	[\$332.00] [[<u>\$345</u>]] <u>\$368</u>	<u>\$573</u>
Office (per [1,000] sq. ft. GFA)	[\$1,000,00] <u>\$2</u>	[\$1,000.00] <u>\$2</u>	<u>\$2</u>
Industrial (per [1,000] sq. ft. GFA)	[\$500.00] <u>\$1</u>	[\$500.00] <u>\$1</u>	<u>\$1</u>
Retail (per [1,000] sq. ft. GFA)	[\$4,849.00] [[\$5.04]] <u>\$5.08</u>	[\$3,177.00] [[\$3.30]] <u>\$3.52</u>	<u>\$5.61</u>
Places of worship (per [1,000] sq. ft. GFA)	[\$280.00] <u>\$.29</u>	[\$183.00] [[<u>\$.19</u>]] <u>\$.20</u>	<u>\$.32</u>
Private elementary and secondary schools (per [1,000] sq. ft. GFA)	[\$466.00] <u>\$.48</u>	[\$305.00] [[\$.32]] \$.33	<u>\$.53</u>
Other nonresidential (per [1,000] sq. ft. GFA)	[\$5,362.00] [[\$5.58]] <u>\$5.62</u>	[\$3,514.00] [[\$3.65]] <u>\$3.89</u>	<u>\$6.20</u>
	[[*	* *]]	

[[81

82 **52-58.** Impact tax district transportation program.

The impact tax district transportation program is as follows:

Road Name	Limits	Improvement	Cost	Timing (Completion by FY 99-2004 Denoted by *)
(a) Germanto	own:			
Century	<u>Northern</u>	<u>4-Lane</u>	<u>\$2,085,000</u>	
Boulevard	terminus (2001)	<u>Undivided</u>		
	to 1000' north	Construct		
Great Seneca Highway	Middlebrook Road to Great Seneca Creek	[6]4-Lane Divided Construct	[\$25,075,000. 00] \$14,700,000	*(Part): 4L from Middlebrook to Great Seneca Creek
Eastern Arterial (M- 83)	Northern Planning Area Boundary to Great Seneca Creek	6-Lane Divided Construct with an Interchange at M-61	[\$36,504,000. 00] \$38,059,000	
Father Hurley Boulevard/ Ridge Road (M-27)	MD 27 to MD 118 Relocated	6-Lane Divided Construct from MD 27 to Crystal Rock Drive, with an interchange at I-270 and 4L divided from Wisteria Drive to MD 118 Relocated	[\$53,962,000. 00] \$62,788,000	*(Part): 6L from Crystal Rock to A-19 w/interchange at I-270; 4L from A-19 to MD 27; 21 A-254 to MD 118
MD 118 Relocated	2000' south of Clopper Road to Wisteria Drive and from I-270 to MD 355	6L Divided Construct from MD 355 to I-270 & from Wisteria Drive to Riffleford Road	[\$34,952,000. 00] \$35,935,000	*(Part): 6L from Wisteria Drive to MD 117 and I- 270 to MD 355; 2L from MD 117 to 2000' south

Germantown Rd. Extended (M-61)	MD 355 to Watkins Mill Rd.	6-Lane Divided Construct	[\$6,079,000.0 0] \$11,113,000	
Crystal Rock Drive	MD 118 to M- 27	Add 2 lanes	[\$5,441,000.0 0] \$6,225,000	
Middle- brook Road	M-27 to Eastern Arterial	4L Divided Reconstruct from M-83 to MD 355; 6L divided reconstruct from MD 355 to Great Seneca Highway; add 2L from Great Seneca Highway to M-27	[\$20,011,000. 00] \$20,897,000	*(Part): 6L from Great Seneca Highway to I- 270, 6L from I- 270 to MD 355
Watkins	3.5.00			
Mill Road (A-17)	M-83 to Planning Area Boundary	4-Lane Undivided Reconstruct	[\$4,998,000.0 0] \$5,322,000	
Mill Road	Planning Area	Undivided	0]	*(Part); 4L from MD 118 Relocated through Milestone development
Mill Road (A-17) A-19 (Observa-	Planning Area Boundary MD 118 Relocated to Planning Area	Undivided Reconstruct 4-Lane Undivided Construct with M-27	0] \$5,322,000 [\$36,847,000. 00]	MD 118 Relocated through Milestone

I-4	Century	4-Lane	[\$8,672,000.0	
(Northern	Boulevard to	Undivided	0]	
Crossing)	Observation	Construct	\$9,643,000	
	Drive			
Park and	Planning Area	2550 spaces	[\$16,320,000.	*(Part) 769
Ride Lots			00]	spaces
			<u>\$16,575,000</u>	
German-	MD	Construct 200-	[\$2,604,000.0	
town	118/Century	space park &	0]	
Transit	Blvd.	ride	\$1,913,000	
Center				
Total			[\$258,147,000.	001
]] <u>\$270,455,000</u>
50%			[\$129,074,000.	00]
			[[\$134,185,000]] <u>\$135,227,500</u>

84

(b) Eastern Montgomery County:					
[[A-287	E. Randolph Road Relocated to P.G. County Line	4-Lane Undivided Reconstruct	[\$1,883,000. 00] \$1,979,000]]		
Briggs Chaney Road	Automobile Boulevard to P.G. County Line	4-6 Lane Reconstruct	[\$11,570,000 .00] <u>\$14,668,000</u>	*(Part): Reconstruct bridge	
Fairland Road	E. Randolph Road Relocated to P.G. County Line	4-Lane Undivided Reconstruct from U.S. 29 to P.G. County Line and add 2L from E. Randolph Road to Old Columbia Pike	[\$18,156,000 .00] \$18,716,000		

Greencastle Road	Robey Road to P.G. County Line	4-Lane Undivided Reconstruct	[\$3,866,000. 00] \$3,257,000	
Norbeck Road Extended	Layhill Road to New Hampshire Avenue	2-Lane Construct	[\$28,403,000 .00] <u>\$27,115,000</u>	
[[Musgrove Road	U.S. 29 to Fairland Road	4-Lane Undivided Reconstruct	[\$2,361,000. 00] \$2,483,000]]	
East Randolph Road	Burkhart Street to Old Columbia Pike	4-Lane Undivided Reconstruct	[\$10,878,000 .00] <u>\$12,477,000</u>	*
Park-and- Ride Lots		1814 spaces	[\$11,609,000 .00] <u>\$11,791,000</u>	*
Total			[\$88,726,000.0 [[\$103,504,000	0] \$88,024,000
[[44.75%]] <u>50</u>	<u>0%</u>		[\$39,705,000.0 [[\$46,318,000]]	-

85

(c) Clarksburg:			
<u>Foreman Blvd</u>	MD 355 to A-305	Construct 2 lanes	<u>\$1,605,035</u>
(A-306)			
Gateway Center	<u>A-260 to A-301</u>	Widen to 4 lanes	\$3,602,537
<u>Drive (A-300)</u>		<u>divided</u>	
Midcounty	Brink Road to MD 27	Construct 6 lanes	\$8,728,439
Highway (M-83)		<u>divided</u>	
Midcounty	MD 27 to (Stringtown	Construct 2/4 lanes	<u>\$38,516291</u>
Highway (A-	Road) MD 355	<u>divided</u>	

<u>305)</u>			
Newcut Road	MD 121 to MD 27	Construct 2/4 lanes	\$36,576,638
(A-302)		<u>divided</u>	
Observation	MD 355 to Germantown	Construct 4 lanes	<u>\$21,971,391</u>
<u>Drive (A-19)</u>	<u>boundary</u>	<u>divided</u>	
Old Frederick	Through town center	Construct 2 lanes	<u>\$2,675,814</u>
Road (B-1)			
Shawnee Lane	Gateway Center Drive (A-	Widen to 4 lanes	<u>\$8,121,588</u>
(A-301)	300) to MD 355(A-251)	<u>divided</u>	
Stringtown Road	<u>I-270 to A-305</u>	Construct 4 lanes	<u>\$10,889,280</u>
(A-260)		<u>divided</u>	
Park & Ride		155 spaces	<u>\$1,054,899</u>
<u>Spaces</u>			
<u>Total</u>			<u>\$133,741,910</u>
<u>50%</u>			<u>\$66,870,955</u>

52-59. Methodology to determine impact tax districts.

(a) Impact tax districts are those planning policy areas, or combinations of planning policy area, in which existing and approved development is at or above the staging ceiling as defined by the Annual Growth Policy. Where existing development is at or above the staging ceiling, no further development can occur in the planning policy area without violating the adequate public facilities ordinance transportation standards, unless the staging ceiling is raised. The staging ceiling can be raised by the addition of major improvements beyond those that are programmed. The addition of these unprogrammed improvements will raise the

97	staging ceiling, with the objective of allowing additional	
98	development consistent with APFO staging ceiling standards. [[At	
99	the present time, Germantown (East and West) and Eastern	
100	Montgomery County (Cloverly, Fairland/White Oak) are	
101	characterized by existing development at or above the staging	
102	ceiling and have, therefore, been identified as impact tax	
103	districts.]] [[Once]] After an impact tax district has been	
104	designated under subsection (b), it [[will]] must remain an impact	
105	tax district until full buildout has occurred.	
106	* * *	
107	Approved:	
100		7 (Q (O.1
108	/S/	5/2/01
	Blair G. Ewing, President, County Council	Date
109	Approved:	
110	/S/	5/14/01
	Douglas M. Duncan, County Executive	Date
111	This is a correct copy of Council action.	
112	/S/	5/15/01
	Mary A. Edgar, CMC, Clerk of the Council	Date